

Determining the Proper Mix of Navy Manpower

Lessons for Civilian Manpower Management

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**Presentation to the Fourth Annual
Navy Workforce Research and
Analysis Conference
30 March 2004**



Outline

- Background
- Roles of Military, Civilian and Contractor Manpower
- Cost Comparison Challenges
- Civilian Requirements Determination
- Navy Civilian Modeling – What’s Needed?



Background

- Navy aggressively pursuing opportunities to reduce “tail” portion of military manpower
 - May increase civilian manpower requirements
- Navy doesn’t possess necessary tools to model changes in civilian manpower requirements and workforce flows
- Accurate manpower costs do not exist



Roles of Military, Civilian and Contractor

Manpower

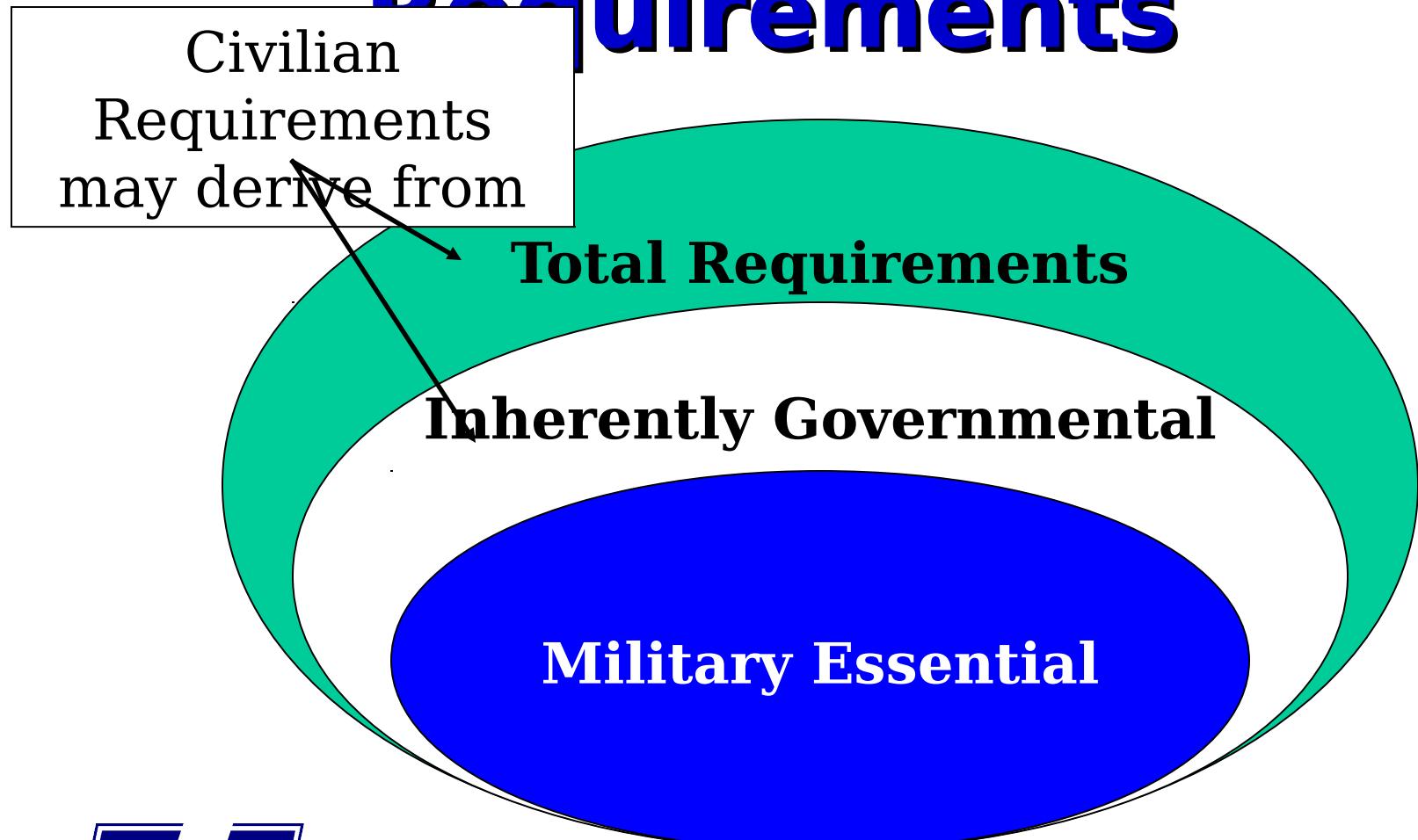
- Some functions inherently military essential or inherently governmental
- Military Essentiality
 - Direct combat support
 - Readiness
 - Training
 - Military tradition/custom
 - Rotational
- Inherently Governmental
 - Act of governing
 - Monetary transactions and entitlement.



Order of Precedence for Manpower Mix Criteria

A - Military Operations		Inherently Governmental	
B - Exemption for Military Support Elements in Operating Forces	C - Exemption for Civilian Support Elements in Operating Forces		
D - Exemption for Military & Civilian Wartime Designation (Dual Status)			
E - Civilian Authority	F - Military Unique Knowledge and Skills		
G - Exemption for Esprit de Corps and Military Support			
H - Exemption for Continuity of Infrastructure Operations	I - Military Augmentation of the Infrastructure During War		
J - Exemption for Civilian & Military Rotation	K - Exemption for Civilian & Military Career Progression		
L - Exempted by Law, Executive Order, Treaty or International Agreement			
M - Exempted by DoD Management Decision			
P - Pending Restructuring Decision			
R - Subject to Review			
X - Alternative Candidates to A-76			

The Universe of Requirements



Cost Comparison Challenges

- If requirement neither inherently governmental nor military essential, fill in most cost-effective manner
 - Minimize cost to the taxpayer
- Challenges
 - Capture true costs of each type of manpower
 - Account for impact of proposed changes on rotation, career progression



Civilian Requirements Determination

- Move from workload to requirements
- Measure total taxpayer cost
- Compare to alternatives
 - Military personnel available/more cost-effective
 - Use of contractors practical?
- Workforce modeling must be integrated in requirements determination process

Example

- SAG Corporation: *Cost/Benefit Analysis of Navy Pharmacy Officer Manning* (April 2003)
 - Most efficient mix of Navy officer, civilian and contractor pharmacists against defined pharmacy workload
 - Showed that civilian pharmacists cheaper than officers or contractors
 - But current cost estimates ignore costs of dramatically increasing civilian recruiting
 - Officers most expensive, but used in many billets that are not military essential



Navy Civilian Modeling

- What's Needed?

- Workforce Planning Tools
- Integrated (Total Force) Requirements Determination Process
- Reliable Cost Estimates
- Empirical Research
 - Employee behavior and responsiveness to incentives and policy changes



Workforce Planning Tools

- Other organizations have started developing tools
 - Examples shown today
- Navy's workforce presents unique challenges
 - Geographic diversity (e.g., overseas)
 - Interaction with military personnel requirements
- More efficient to adapt from other agencies' tools than from military models
 - Civilian-unique problems (succession planning)



Integrated Requirements Determination

- Impossible to set military, civilian or contractor requirements in vacuum
 - Cost tradeoffs depend on impact of potential changes on personnel flows
 - Substitute civilian for military, but eliminate a shore rotation billet
- Total force management with cost in the loop

Reliable Cost Estimates

- Navy's source of billet cost estimates not reliably maintained
- Civilian estimates suffer from fundamental omissions
 - Costs of training/acquiring not measured

Empirical Research

- Estimates of responsiveness of employees to changes in pay and policy
 - Econometric attrition/retirement models
- Research in civilian recruiting
 - Is it possible to identify eligible population and measure costs of acquiring new employees?